In order to bring the transportation and land use vision discussed in this study to fruition, a number of important strategic, procedural, and financing decisions need to be made both locally and at the regional and state levels in Virginia. Policy changes are a critical component of the Route 29 Corridor Study recommendations because, with a continuation of current policies, the transportation capacity of the corridor will be taken up with local traffic.

EXISTING FRAMEWORK

The implementation of the vision for the future of Route 29 will need to build on recent legislation that lays the foundation for the vision. In recent years, there have been a number of policies and legislative changes that better integrate transportation and land use practices. Tools such as the following have been implemented by the Commonwealth in recent years:

Secondary Street Acceptance Requirements (SSAR):
New requirements adopted in March, 2009 for enhanced secondary street connectivity

Access Management Standards for Principal Arterials:
Requirements taking effect October, 2009 for minimum spacing between intersections and access points on principal arterials and minor arterials, collectors and local streets

Urban Development Areas:
Adopted in 2007 – legislation requiring more transportation-efficient land use patterns to be identified in comprehensive plans by localities

Chapter 527 Review:
New requirements, first adopted in 2007, for additional traffic impact analysis to enhance understanding of the transportation impacts of new development

Transfer of Development Rights (TDR):
Recently enabled (2006) authority to establish TDR programs by Virginia localities that enhances their ability to direct development through density transfers

Impact Fees:
An expansion of enablements in 2007 to allow more jurisdictions to levy impact fees for transportation-related impacts of new development

These new programs constitute a set of basic measures that can be used to help implement many of the corrdor improvement goals for Route 29.

POLICY OPTIONS

A key aspect of the Route 29 Corridor Study was not only to review the existing regulatory and policy framework, but also to recommend additions and enhancements that could better address transportation problems emerging in the corridor. The following policy recommendations build on this existing farmework and enhance it further in order to help realize the long term vision for the corridor.

In order to allow policy decisions for implementation to be compared, the following section discusses three "tiers" of policy recommendations. The tiers are based on three alternative policy approaches as shown below. It is important to note that neither the tiers, nor any of the recommendations, are intended to be mutually exclusive and combinations of policies may be considered as a package.

TIER 1 – VOLUNTARY

The first tier consists of voluntary policy approaches that localities in the corridor could choose to follow in order to implement the recommendations of the corridor plan on their own. In general, these strategies represent good planning practices for access management and some localities have already used some or all of them on portions fo the corridor. Voluntary strategies could include:

- Localities develop detailed access management plans for portions of the corridor that are in accordance with the Route 29 Corridor Study recommendations.
- Localitiles develop conceptual future road networks as part of their comprehensive plans and area plans intended to relieve transportation pressures onto Route 29.
- Localities work with VDOT to gradually replace existing traffic signals on Route 29 with grade separated interchanges over time.
- Localities work with VDRPT to expand multi-modal options that take traffic pressures off the corridor in the future.
- Localities work with VDOT and VDRPT to develop a detailed corridor implementation plan and design standards that would be adopted voluntarily by participating jurisdictions.

TIER 2 – INCENTIVE-BASED

The second tier consists of incentive-based policy approaches. These are generally ways to use funding or enhanced authority as an incentive for localities to adopt measures that would improve the long-term transportation viability of the 29 corridor. Each policy recommendation below ties an existing, new or enhanced funding program to a set of expectations for compliance with the goals and practices recommended in this study.

- Use the current set of existing funding programs but revise them to require a level of compliance with the Route 29 Corridor Study Plan recommendations.
- Develop a new competitive grant program for funding designed specifically to implement corridor

recommendations. Grants could be designed either for planning and coordination of the recommendations, or they could be designed to actually implement the recommendations through specific improvements. For example, a new funding program for access management funding or the Revenue Sharing program could be specifically tied to compliance with plan recommendations within the 29 corridor.

- Develop new funding enablements for corridor communities that are tied to compliance with the corridor goals and recommendations. For example, new taxing authorities could be enabled that are either regional or corridor-wide with enhanced taxing authority such as sales tax or gas tax additions. A second option would be to enable a tax improvement district for corridor communities similar to the Route 28 tax improvement district in Fairfax and Loudoun Counties.

- Revise the process for access permitting on the corridor to allow more control by localities. The enhanced acess permitting authority would be tied to compliance with the corridor recommendations.

- Develop a set of incentives for coalitions of localities or PDC's to develop a regional corridor improvement plan that meets goals of this study and is approved by VDOT/VDRPT. The incentives could include any of the funding or access permit authority enhancements described above.

- Develop new funding programs that are "formula-based" such as the existing access management funding program. These new formula-based funding programs would be administered by the CTB and could be targeted specifically for Route 29 improvements.

TIER 3 CORRIDOR-WIDE STEWARDSHIP

At the other end of the spectrum of policy approaches from the voluntary one described earlier is a third tier ofpolicy recommendations are titled "Corridor-Wide Stewardship" recommendations. These are intended to establish a stronger stewardship role for VDOT and VDRPT in the Route 29 corridor. They are intended to go beyond purely voluntary or incentive-based policies and recommend an additional regulatory framework that would allow the Commonwealth to take a more proactive role with respect to the long-term management of the corridor as a statewide transportation resource. The policies below would not preclude either a voluntary or incentive-based approach, but could enhance either approach by providing a regulatory underpinning to ensure more widespread implementation of the goals for the corridor.

- Develop and enable a "Corridor Wide Implementation Plan" that would be the basis for all future access and transportation improvements on the corridor. The Plan would be developed jointly by VDOT/VDRPT working with each locality along the corridor and would define, in detail, the existing and future access points and the improvements planned in each locality. The Implemetation Plan could also be tied to a newly enabled funding mechanism as discussed above to help facilitate compliance.

- Add provisions to the local comprehensive plan enabling legislation (Section 15.2-2233) that would require localities to map all existing and future access points along the corridor as a guide for rezoning approvals in the future. Additionally, comprehensive plans could be required to show alternate access for properties fronting on the corridor so that parallel roadways and local street networks could be phased in as development approvals occur over time.

- Develop additional legislation that would require communities along the Route 29 corridor to adopt some form of zoning overlay district that would meet the recommendations of the 29 Corridor Study. VDOT/VDRPT could also develop a model overlay ordinance that loclaities could modify as needed and adopt.

- Develop additional legislation that would require communities along the Route 29 corridor to adopt new subdivision regulations that require interparcel connection standards and site plan approval standards for shared entrances and pedestrian enhancements. VDOT/VDRPT could also develop a model subdivision or site plan ordinance that loclaities could modify as needed and adopt.

- Develop additional legislation that would require communities along the Route 29 corridor to adopt a plan for multi-modal enahncements along the corridor. VDOT/VDRPT could develop the standards for assessment and multi-modal enahncements that would be the basis for eahc locality's plan. This policy could either be adopted as stand-alone legislation or could be added to the normal requiremenst for local comprehensive plans (Section 15.2-2233).

OTHER STRATEGIC OPTIONS

One strategic possibility that could be pursued within the next year is a series of Route 29 summits, held at the local, regional, and state levels to discuss the implementation of recommendations in this study as well as the numerous comprehensive plans that have been drafted in communities along Route 29 over the past five years. Topics for these summits might include better integration between transportation and land use and the removal of traffic signals. However, no matter the topics selected, it is clear, from the public engagement activities throughout this study, that community representatives and planners need to sit down together, share planning goals, and start thinking about planning linkages with neighboring jurisdictions. This, on a broad scale, will result in communities thinking about the regional impacts of local planning decisions and this is precisely where the next generation of planning documents need to evolve in terms of scope and context sensitivity.

Concurrent with the Route 29 Summits, another strategy that could be pursued is the creation of a Corridor Master Plan that would lay out needed legislative changes, strategies for transportation improvements, proposed timetables, and financing strategies for agreed upon transportation improvements along the Route 29 Corridor. This Corridor Master Plan would require better coordination between VDOT and localities, by stipulating that state funding awards hinge on more binding comprehensive plans and collaborative planning between state and local governments.

FINANCING OPTIONS

Background on Financing Transportation Projects in Virginia

Virginia has the third largest state-maintained highway miles system in the country, just behind North Carolina and Texas. Traditionally, the state has funded almost all local transportation projects, principally from gas and sales tax revenues, as well as federal allocations. The Commonwealth Transportation Fund consists of a 14 cent/gallon tax on gasoline, while the Transportation Trust Fund (established in 1986) generates dedicated revenues from a 3.5 cent/gallon tax, a 0.5 cent sales tax, motor vehicle sales and use taxes and other sources. Thus, Virginia's gasoline tax rate is 41st in the country at 17.5 cents per gallon. Consequently, approximately 36% of state transportation revenues are from state motor fuels tax, while 87 % of the federal contribution is from federal motor fuels tax.

A combination of construction and maintenance inflation and stagnant revenues has drastically reduced state funding for new and even ongoing construction projects. Costs for projects have increased almost 100% in the last two to three years. About 29% of the state transportation budget will go toward construction, with 46% spent on maintenance and the rest on debt service and administration. If present trends continue, in 2015 there could be almost no funds available for new project construction.

The General Assembly has already recognized these transportation funding challenges. The Statewide transportation funding allocation is set out in 33.1-23.Article 1.1, allocation of funds, yet the Appropriations Act of the General Assembly provided VDOT with the authority to deviate from these formulas to maximize federal funding.

In the fall of 2004, the Senate Finance Committee met to discuss potential action to diminish funding shortfalls. At the end of the 2005 General Assembly session, it passed legislation which allocated new funding streams for transportation projects providing a one-time $848 million infusion of transportation funding. Following this allocation, the Commonwealth Transportation Board just adopted a new Six-Year Program that increases the transportation budget to $7 billion and is anticipated to add over one hundred projects statewide. For the first time, funding was allocated specifically for rail project construction, and to assist in development of public-private transportation projects (a $50 million fund, which will probably be allocated as seven year, no interest loans). Funding was also increased to $40 million for Revenue Sharing (which matches local contributions up to $1 million) and $40 million for Local Assistance (which helps localities who choose to manage their own construction projects). Though limited and highly competitive, some portion of these new funds could be available to assist with local priority projects.

Funding Options Currently Available/Authorized in Virginia

There are several financing mechanisms currently available and authorized in Virginia that are used to generate revenue for transportation projects. These include:

1. Revenue Sharing Program (Virginia code section 33.1-23.05
2. Public-Private Partnerships (PPTA) (Virginia code 56.556-56.575)
3. Cash Proffers (Virginia code 15.2 – 2303.2)
4. Community Development Authorities (Virginia code15.2-5152)
5. Value Added Revenue
6. Transportation Improvement Finance District (Virginia code 15.2)
7. Rights-of-Way Donation
8. General Obligation Bond Financing

However, there are also options that have yet to be explored in Virginia, that could lead to the more immediate and direct implementation of the recommendations described, by geographic area, in Chapter 5 of this study—"Applying the Vision."

New Funding Options for Consideration

In the following paragraphs, three mechanisms for financing transportation projects are explored relative to options already existent in the Route 29 Corridor. These new mechanisms include: establishment of **Locally Controlled Transportation Improvement Districts**, formation of a **Regional Transportation District**, and the creation of a **Corridor-Wide Transportation Authority**. Each of these options presents a unique opportunity for communities along the Route 29 Corridor to consider how they might work differently, both independently and together, to change the way transportation projects are financed in their area.

1. **Locally Controlled Transportation Improvement Districts**

A Local Transportation Improvement District (TID) would be a modified version of the currently enabled Transportation Improvement District (§ 33.1-410.), which has been employed in the Route 28 corridor in Fairfax and Loudoun Counties. This proposed version of a local district would offer more flexibility than the current TID model, through the following modifications:

Enhanced Standards:
The authority to establish a TID would be similar to current enabling legislation. Localities would still need a petition by 51% of the property owners and the District, once established, would have exemptions and sunset clauses as in current legislation. Enhancements to the current legislation would include:

- A requirement for mixed use zoning in the District (current legislation requires only commercial and industrial zoning).
- A minimum of one Urban Development Area, as established by the Comprehensive Plan of the locality.
- A plan for multi-modal transportation improvements to reduce vehicular dependency, which must be approved by VDOT. The plan must demonstrate supportive land uses, access management and congestion mitigation features.

Enhanced Funding Authority:
- Enhanced legislation would allow the locality to impose a one cent sales tax on businesses in the District to fund transportation projects contained in an approved plan for the District. The sales tax increase must be approved by voters in the District.
- The District and taxing authority would expire after a set number of years and could be repealed, similar to the current TID legislation.

2. **Regional Transportation District**

The establishment of a new Regional Transportation District could be pursued to address regional improvements and congestion relief on roads that serve multiple jurisdictions, such as the Route 29 Corridor. The Regional Transportation District would approach improvements to the road either as a whole or in segments. The District would enable a special taxing authority to be formed, subject to a referendum of the voters, providing that counties and cities could opt out of the District. This option is similar to SB 39 in Georgia, which was recently passed by legislative committees in that state.

Enhanced Standards:
- The District would be tied to a Regional Transportation Plan approved by VDOT and the MPO. The plan must include multi-modal transportation improvements to reduce vehicular dependency, and demonstrate supportive land uses, access management, and congestion mitigation features.
- The Plan would containlocations for all future access points on principal roadways in the district. Access permits, if conforming to the approved plan, would continue to be approved as currently practiced. Application for access permit waivers not in conformance with the plan would have to be approved by the affected locality, VDOT and the MPO board.

Enhanced Funding Authority:
- The Regional Districts would be a first priority for revenue sharing funds (as available and as currently enabled (§ 33.1-23.05)). The legislation would establish a method for prioritizing the funds for the Regional Taxing Districts with approved transportation plans.

3. **Corridor-Wide Transportation Authority**

The formation of a Corridor-Wide Transportation Authority would mean establishment of a new form of special taxing authority to address corridor-wide improvements and congestion relief. The Authority would be approved by a majority of voters in a special referendum and would be enabled to impose special assessments to fund transportation improvements only within the specified corridor.

Enhanced Standards:
- The Authority would be required to develop and regularly update a Corridor Improvement Plan that would be approved by the CTB and would establish the proposed improvements in the District to be funded over a set time period. The plan must include multi-modal transportation improvements to reduce vehicular dependency, must demonstrate supportive land uses, access management and congestion mitigation features
- The Plan would establish all future access points on the corridor. Access permits – if conforming to the approved plan – would continue to be approved per the existing process. Application for access permit waivers not in conformance with the plan would have to be approved through a special application process with a required public hearing by VDOT.

Enhanced Funding Authority:
- The Corridor Transportation Authority would be granted authority to levy on Increases in the retail sales tax in the localities in the district, levy a special

occupancy tax, and an increase in the grantor's tax in the same localities.

Other Statewide Options for Transportation Financing

There are many other options that Virginia and other states have employed to finance transportation projects. These have been successful where applied, but may be difficult to implement due to local resistance to new statewide fees and taxes. These financing strategies include:

1. New sales tax dedicated to transportation
2. New gas tax dedicated to generate bondable revenue for established priority projects
3. State Infrastructure Banks (SIB) to finance construction (one currently exists in Virginia)
4. Direct highway user fees based on vehicle miles traveled (VMT)
5. Increased registration fees imposed on standard size cars
6. Personal property taxbased on something of value, which is deductible from Federal income
7. Traditional tolls, which are proven to be reliable and stable source of revenue on select bridges and roads across the US
8. Tolling new lanes, which has accounted for financing 30-40% of new limited access highway mileage
9. Tolling existing lanes, although restrictions exist for tolling Interstate Highways
10. Congestion pricing
11. Impact feesdedicated to a specific project/program or certain road/transit improvements